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OBSERVATIONS

Occasion'd by reading a Pamphlet,

INTITLED, A

DISCOURSE

CONCERNING

The CURRENCIES of the *British*

Plantations in *America.* *North*
K

In a LETTER to *****.

Said to be written by Wadell Smith.

[S^r Joseph Banks]



L O N D O N:

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OBSERVATIONS

ON THE

INSTITUTION

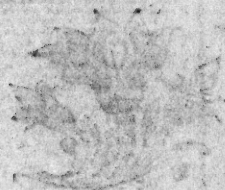
DISCOURSE

OF

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IN THE



LONDON

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(1782)



S I R,

I Received the Pamphlet you sent me concerning the Currency of the *British* Plantations, particularly relating to the Paper-Money of *New-England*. It is written with great Judgment, and seems the Production of a very wise, and honest Man. He has so thoroughly exposed the Depredations of their Paper-Emissions on the Trade of this Kingdom, that I had almost said they were equal to those of the *Spaniards*.

I agree with the Author, " That our Colonies have defrauded more in a few Years
" by their Paper-Emissions, and other Currencies, than bad Administrations in *Europe*
" have formerly done in some Centuries." Nor is it easily to be accounted for (as he observes) how the Mother-Country came to be

so long silent, in a matter that so essentially concern'd her Trade, and Navigation: Be that as it will, the Day of Enquiry is come, and no doubt before the end of the next Sessions, the Wisdom of Parliament will completely put an end to their defrauding their Principals and Creditors in *Europe* any longer, and to the liberty of robbing one another by Practices which the very Act of the 6th of Queen *Anne* was made to prevent.

THE Sore was, and is still too much ulcerated for the Skill of any particular Physician; and there is none but the Supreme Legislature, *the Parliament of Great-Britain*, can prescribe a proper and adequate Remedy. Pray who is the Author? Is he of the Growth of the Plantations, or one that has been transplanted many Years from hence? It is evident the Book was written in *New-England* in *February* 1739, though lately reprinted here; and none but a Man long conversant with the Plantations could have collected such a variety of Facts, and put them so intelligibly together. Had I Power, the Author should be invited to this Country against the next Meeting of Parliament.

I need not tell you my Sentiments on the other Pamphlet, the two Letters to Mr. *Wood* on the Coin and Currency of the *Leeward Islands*, which you sent me last Year; but I could wish *Both* [*As they contain together a History of Frauds in the Plantation Currencies and a Collection of Facts, which are obstinate things*] were read by every Man in the Kingdom that wishes well to the Colonies. The Plantations are the finest Jewels remaining to the Trade of *England*, and will reflect greater Lustre upon it when these Impurities are polished away. I make no manner of doubt that the Interposition of Parliament last Sessions, touching the Gold and Silver Coins of the Plantations, will in the end have the desired Effect. One of my Correspondents writes me, that in pursuance of one of the Addresses of the House of Commons, a Royal Instruction * from His Majesty has been promulged abroad, (to use his own Words,) *drawn with a Spirit proportioned to the Evil it intended to reform*; but he says, as that only respects the Silver Money, and is prohibitory of any future Emissions of Paper, *certain ingenious Men in some of the Plantations* continue still their

* Dated the 25th of *August*, 1740.

their Operations in their Gold Coins as before; and vainly imagine that the Storm will blow over, and that they will be permitted so to do. But as you inform me a Proclamation is soon expected to issue, * in pursuance of another Address from the House of Commons, PROPORTIONING the Current Rates of all Foreign Gold Coins in *America* to the Silver Coins settled by the 6th of *Queen Anne*; I flatter my self this Proclamation will convince the Money-Schemers of their Error; or at least the People in general, how much they have been deceived by them. Gain is a sort of Jaundice to the Mind, that corrupts the Judgment as much as that Distemper in the Body perverts the Sight: and Men habituated to the Practice of such lucrative Dealings, unquestion'd for a length of time, grow audacious enough at last to defend Actions in Public which ought to have been the Animadversion of the Crown-Lawyers when they were first committed. Else, how is it possible that such Practices could have taken such deep Root and flourish'd abroad so long? As (*e. gr.*) that 100 Pistoles clipt to 4 *dwt.* purchased

* See the Votes of the House of Commons the 25th of April, 1740.

chased in *London* for 77 *l.* 1 *s.* 8 *d.* Sterling, should gain (Exchange at 140) 22 *l.* 8 *s.* 4 *d.* in *Antigua* Sterling *. Or 107 Pistoles (Exchange at 150) 17 *l.* 8 *s.* 3 *d.* and so on. Or, what is far more surprising, and is the *Opus Operatum* † of the Plantations, the *Ingenuity* of the People of Rhode-Island, in forming a Paper-Scheme to borrow 100 *l.* Sterling, and to pay it off with 33 *l.*? When I consider this Rhode-Island Project, and the Arts which have been practised in her neighbouring Sister Colonies, it brings to my mind a Passage in *Ezekiel*, which I hope I may without Indecency transcribe.

“ Yet hast thou not walked after their
 “ Ways, nor done after their Abomina-
 “ tions, but as if that were a very little
 “ thing, thou wast corrupted more than
 “ they in all thy ways ||.

BUT give me leave to intimate to you, that there are other Lights of great consequence thrown out in these Pamphlets besides those

* See Letter to *Wood*, Table II.

† *New-England* Ditto, folio 11.

|| Chap. xvi. v. 47.

those for abolishing that Pestilence to Trade Paper-Money, and the fraudulent Variations of the Coin, which deserve the Attention of Parliament; and without it the Cure will not be compleat. These are the other kinds of Currencies subsisting by virtue of sundry Plantation-Laws, making their Paper-Money in *Some*, the native Produce of the Country in *Others*, a *Legal Tender* * and *Discharge* for Payment of Debts. As these perhaps will rise with more Vigour from the Destruction of the other, a word or two about them, for the sake of the *British* Merchant, will not I hope be unnecessary; because I think they ought not to exist a moment upon any pretence whatsoever. For I believe there is no Proposition under the Sun more true than this, That nothing ought to be substituted for Payment of Debts in the place of *Gold and Silver as a Medium for Trade*, until the People of the World have first universally agreed to take it as such. Till then, let all such Laws be repealed and Practices abolished, as having been founded in Iniquity: and I appeal to all the Merchants of *Great-Britain*, who trade

to

* See Letter to *Wood*, p. 34, 35, how that matter stands in the *Leeward-Islands*. *New-England Discourse*, p. 21, 26, 31, 33, 35, 44, as to some other Colonies.

to the *West-Indies*, whether they have not severely felt the Practice of them? A Practice that amazes me to have been suffer'd so long, when I consider, as the Author observes, "that even *France* never made their State-Bills a common Tender." To which I will add, that the making such kind of stuff, or any Produce whatsoever, except Gold or Silver, a Legal Tender for Payment of Debts, or Discharge for the same when Executions come to be levy'd, [to use that Gentleman's Words,] "is an Act of the highest Injustice; and what the most despotic and arbitrary Governments in the World do not venture to impose upon their Subjects." But surely the Plantation-Governments have no Subjects, they have no original Power; they are all subordinate Jurisdictions granted by the Crown, and the People themselves all Subjects to his Majesty, and to the Supreme Legislature of *Britain*; and happy it is for both that they are so!

SINCE I have turn'd my Thoughts to the Plantations, and especially since reading this Author, I must own that I am the more convinced of what that ingenious Gentleman

B

observes,

observes, " *That* in many of our Plantations
 " a Democratic Spirit has of late too much
 " prevailed; and that in some of them, that
 " invaluable Blessing *English Liberty and Pro-*
 " *perty of the Subject* are too often abused to
 " Levelling and Licentiousness." For though
 it is true, " that all Men are naturally equal,
 " yet I agree with the Gentleman that So-
 " ciety requires Subordination;" and as much
 as I hate Tyranny, and would rather suffer
 any Death than quietly survive the Liberties
 of my Country, or be the Instrument of in-
 fringing it, either here or in the Plantations;
 yet I hope I shall ever shew the same Spirit
 against another Species of Tyranny, *that De-*
mocratical System, wherein the Scum of the
 People will certainly domineer. And it is
 pretty remarkable, that in this *Rhode-Island*
Constitution, " that admits of no Instruction
 " from the King in Council, Board of Trade,
 " or any *Representative from the Crown* in
 " their Legislature," that they have far ex-
 ceeded in Iniquity, in the matter of their Pa-
 per-Money, *all the Kingly Governments* in
 the Plantations.

BUT

BUT give me leave to come now to my chief Intention of Writing when I first took my Pen up: namely to explain a matter which appears to me to be of great consequence to the Properties of Numbers of People, who have been highly injured for want of a thorough knowledge thereof, and will continue to be so till they are better acquainted with it. And that is *the true Reason* that induced Her late Majesty Queen *Anne* to permit another Currency in the Plantations than Sterling; and to regulate by a Proclamation the Currency of a *Spanish* Piece of Eight, value 4 s. 6 d. Sterling, to pass at 6 s. Currency in all the Plantations; and the Parliament afterwards, in the 6th of Her Reign, to enforce Obedience to it under certain Penalties; *Yet*, with this *Proviso* in the Act,

“ That nothing in the before-recited Proclamation, or in this Act contained,
 “ shall extend, or be construed to *compel*
 “ any Person to receive any of the said
 “ Species of Foreign Silver Coins at the
 “ respective Rates mentioned in the said
 “ Proclamation.”

As neither of the aforesaid Writers have thoroughly explain'd this matter, give me leave to send you my Thoughts thereon; which if true, the more public you make them the better, as the Rights of an abundance of People are deeply concerned therein to this Day.

At the first settling of our Plantations, and for many Years afterwards in every one of the *British Colonies in America*, 5 s. Plantation-Money was equal to 5 s. Sterling; but as the Money of *Great-Britain* could not be Legally exported without Licence, of course little of it came into the Plantations. Hence it happen'd that Pieces of Eight, which were the General Currency of all *Foreign American Colonies*, became afterwards the *General Currency* of the *British* also. These were a while taken or accounted for to the *British Merchant* at their true value 4 s. 6 d. Sterling; but in process of time, the Planters and Factors abroad contrived to remit or charge in their Accounts these Pieces of Eight for a Crown or 5 s. Sterling, though but of the value of 4 s. 6 d. and this was the first Rise of the Money, and was a Fraud of 11 per Cent.

Cent. not only upon the *British Merchant*, but all others who had *Quit-Rents*, *Annuities*, *Wages*, *stated Fees* and *Dues* then settled; which concern the *Rights of His Majesty* and a variety of his *Subjects*. One *Fraud* begetting another, the *Money* was raised again in *Denomination* in some of the *Plantations*, and in others, raised by suffering light *Money* to pass by *Tale* instead of heavy; in which latter they paid their *Debts*, from 15 to 25 *per Cent.* to the injury of the *British Merchant*, and others. And though in many of the *Plantations* many *Laws* were made to prevent the passing of *Money* otherwise than by *Weight*, and according to its *Fineness*, and to punish with *Felony* the clipping of *Money*; yet the *Craft of some leading and superior Genius's* in the *Plantations* got the better of the *Honesty* of a few, and the *Wisdom* of these *Laws*. These *Laws* growing into *Disuse*, and *Time* having given a sort of *Sanction* to the raising a *Piece of Eight* of the value of 4 s. 6 d. *Sterling* to 5 s. worse *Currencies* were set on foot, and the bad ones soon drove away the good; so that heavy *Money* grew *Merchandize*, and was cull'd out to be sent to *England* for the particular
Account

Account of these Planters and Factors; and light or clipt Money became current, and served to pay Debts and Contracts *to the British Merchants and others.*

As all Seeds produce their own Likeness, so one Fraud is the Generation of many more: And hence sprung such Confusions in Dealings, that one of the Provinces more injured than the rest, FIRST complain'd of the Evil; and that was *Maryland*. This Complaint was transmitted by Col. *Blakiston* Governor of that Province, at the Request of the Assembly, to the Board of Trade;

“ Representing that the advancing the
 “ Rates of Coin in the Plantations, especially in *Pensylvania*, where they
 “ pass'd much higher than at other
 “ Places, was the occasion of draining
 “ the Money from *Maryland*. Where-
 “ upon the Lords of Trade took the
 “ matter up, and * reported to the late
 “ Queen *Anne* the indirect Practices occasion'd thereby.”

But the Board finding upon Enquiry, that Pieces of Eight, *Seville*, *Pillar*, and *Mexico*,
 had

* Report, dated the 23d of *November*, 1703.

had been current in the Colony of the *Mas-*
sachusetts-Bay at the rate of 6 s. a piece, by
 virtue of an Act pass'd there and confirm'd
 by King *William*, that could not be alter'd
 but by another Act to be pass'd in the same
 manner, [the effecting whereof, perhaps, they
 were doubtful of] *Their Lordships did there-*
fore propose that Her Majesty should issue
 Her Royal Proclamation, that no *Seville, Pil-*
lar, or Mexico Pieces of Eight, though of the
 full Weight of 17 dwt. $\frac{1}{2}$, should be receiv'd,
 taken, or paid in any of the Plantations above
 the rate of 6 s. *per* Piece; and that the Pieces
 of Eight of *Peru-Dollars*, and all other Spe-
 cies of Silver Coin should stand *regulated*
 according to their Weight and Fineness, in
 proportion to the aforesaid rate limited for the
 Pieces of Eight of *Seville, Pillar, and Mexi-*
co; so that no Foreign Silver Coin of *any sort*
 should be permitted to exceed the same *Pro-*
portion upon any account whatsoever.

THIS, Sir, was the Origin of the Procla-
 mation of Queen *Anne* that issued the 18th of
June 1704, and of the cause of a Piece of
 Money, value 4 s. 6 d. Sterling, passing in the
 Plantations at 6 s. But notwithstanding this
 Pro-

Proclamation, such was the Boldness of the People and their Appetite to Gain, that they went on still in the same Practices, which occasion'd a variety of Complaints from all Quarters; and this produced the Act of Parliament of the 6th of Queen *Anne*, to enforce the same with Penalties. But when the Wisdom of the Parliament came to consider the Proclamation, as they intended to set those Rates as the Bounds and *Ne plus ultra* to the Plantations in general for their Coins, so at the same time the *Parliament* knowing how they had deviated from their first Currency, took care of *Original Rights*; and therefore did not *enact*, that the People should be *obliged* to take the Money, *even* as rated in the Queen's Proclamation; but on the contrary, *reserved* to them the Right of receiving their Dues in Money of Sterling Currency, or some better Value than that prescribed by the Proclamation, as it happen'd to be originally settled in; and which *Rights* are to this Day *preserved* to every Subject of *Great-Britain*, notwithstanding the Queen's Proclamation and the Act of the 6th of Her Reign. This, Sir, is the true History and Explanation of that Proviso, [and an excellent one it was,] which
the

the People in general are ignorant of abroad ; or deceived into a Misconstruction thereof by some People whose Interest it is to deceive them : and that by some Arguments that will rather move your Laughter than satisfy your Reason. Give me leave therefore to tell you a Story that was related to me of a Conversation in the Plantations about their Currencies. It was thus : A Gentleman speaking of the Illegality of them, and urging the Act of the 6th of Queen *Anne* as a Proof thereof, up starts another in Justification of their Currencies, and denies they were restrained by that Act from altering them as was best agreeable to their Circumstances. A Wager ensued, and Issue soon was join'd to be tried by the Act, and the Act sent for. When it came, the Person of the Province instantly took the Book, and read very distinctly the *Proviso* in the Act ; and then, in a way of triumph, made this short Comment upon it—You see, Gentlemen, *the Parliament leaves us at our Liberty, and does not oblige us to go by the Rates even prescribed in the Proclamation; Ergo, we are at Liberty to agree to what Currency we please among our selves. And this, with the Addition of the great Laugh,* was

the Gentleman's Proof of the thing. Where-
as the only Liberty left by that *Proviso* was
to the Rights of all Persons to take their De-
mands in a better Currency than the Queen's
Proclamation, notwithstanding the Act; as has
been before described: and the People in the
Plantations in general are most expressly tied
down; and left without the least Liberty to
pay their Money at higher Rates than those
mentioned in the Proclamation, under any
Pretence whatsoever: *Except* under this Ex-
press Penalty in the Act of Parliament, *Of*
six Months Imprisonment without Bail or
Mainprize, any Law, Custom, or Usage in
any of the said Colonies and Plantations to
the contrary thereof in any wise notwithstand-
ing; and likewise of the Forfeiture of the Sum
of ten Pounds for every such Offence.

I wish, Sir, I have not tired your Patience;
but I must press you to turn your Thoughts
to the preparing the necessary Information for
both Houses of Parliament, against their next
Sessions, in order to obtain an Act for the
gradual Sinking of their Paper-Money in the
Plantations; as well as to enforce a due Obe-
dience to the Silver and Gold Currencies,
when

when the Proportions of the latter are regulated by His Majesty. One would not have thought, after the Silver Currency had been settled so long ago, that it could have enter'd into the Brains of People abroad to think themselves at liberty to call a Piece of Gold as many Shillings as they pleased. For instance, to pay away a Pistole at 1 l. 8 s. at 4 *dwt.* and if full Weight, at 1 l. 10 s. As if that when a Piece of Eight had been rated (value 4 s. 6 d. Sterling) to pass for 6 Shillings, a *Spanish* Pistole 4 *dwt.* 8 gr. did not of course follow to be worth only 1 l. 2 s. 6 d! It is a known thing that *Silver* is the true *Medium* of Trade; and the Price of that being once regulated, the value of Gold follows of course. But as the Principles of these things are well explain'd in the two Pamphlets, and their Departures from them, I will not say any thing more on this Head. Now is the time to do things thoroughly, since the House of Commons, the 25th of *April*, 1740, came to the following Resolutions, *Nemine contradicente*.

Resolved,

THAT it is the Opinion of this Committee, that the Act made in the 6th Year

of the Reign of Her late Majesty Queen Anne, intituled, " An Act for ascertaining the Rates of Foreign Coins in Her Majesty's Plantations in *America*," hath not been duly observed as it ought to have been: by means whereof many indirect Practices have grown up, and various and illegal Currencies have been introduced in several of the said Colonies and Plantations, contrary to the true Intent and Meaning of the said Act, to the Prejudice of the Trade of His Majesty's Subjects.

Resolved,

THAT it is the Opinion of this Committee, that the creating and issuing Paper-Bills of Credit in the *British* Colonies and Plantations in *America*, by virtue of Acts of Assembly there; and making it obligatory on all Persons to take such Bills of Credit in Payment for all Debts, Dues, and Demands; hath frustrated the good Intentions of an Act of the 6th Year of the Reign of Her late Majesty Queen Anne, intituled, " An Act for ascertaining the Rates of Foreign Coins " in

“ in Her Majesty’s Plantations in *America*:” and hath been a great Discouragement to the Commerce of this Kingdom, by occasioning a Confusion in Dealings, and lessening of Credit in those Parts.

Resolved,

THAT an humble Address be presented to His Majesty, that he will be graciously pleased to issue his Royal Proclamation, to settle and ascertain the Rates and Proportion at which all Foreign Gold Coins shall be accounted, received, taken, or paid in any of His Majesty’s Colonies or Plantations in *America*.

I was glad to observe, that upon the Applications last Year, when these matters were brought under Consideration, that the Spirit of reforming was conducted with a view to cure the Evil, rather than punish those Persons who contributed to bring it about. And tho’ the Moderation and Temper of the Government have pass’d over the Conduct of some abroad, whose Duty it was more immediately to have caused better Obedience to have been

been paid to *His Majesty's Royal Instruction*; yet is it certain they will continue to do so to their Governors and Magistrates upon any future Misbehaviours, in a point of such importance to the Trade of this Kingdom and the *General Interest* of its Colonies?—That is not quite so clear; nor indeed ought it to be expected,

As to those Persons who have made excessive Gains by the Confusions of the Money in the Plantations, and supported them for that purpose; if upon a sober Recollection of the matter, they should find their Acquisitions not to be very virtuous, and the retaining them to affect their Peace of Mind, I would recommend it to them to *bestow the Amount of their Indirections to the Hospital for Foundlings*, as they cannot make restitution to such a variety of People as have been injured thereby.

When the Coin is settled, and the Plantation Laws are abolish'd that make *Paper-Bills*, or *produce*, a *Legal Tender* for the Payment of Debts; When Men can compel a specific Performance of their Contracts abroad

by

by the Laws of the Provinces, or by an Act of Parliament ; then many Persons will venture out in Trade again, who have for many Years refrain'd upon the score of these Evils: For till then, the honest Arts of Merchandize can never flourish ; nor the Merchants trade upon any certainty. As to those Dealers in Money, they must pardon me if I call them not Merchants; I hate Profanation! for they are more like Drones to a Hive, which rob the Honey they never made: and I have always look'd upon them as a dishonest Set of Men, who add nothing to the Commonwealth, but live like Gamesters by *purloining* the Industry of other People.

WHEN, Sir, these things I have hinted are accomplish'd, it will happen in the Plantations as *Cicero* tells you it fell out at *Rome* in his Consulship; and for the very same Reason: *Fraudandi enim Spe sublata, solvendi Necessitas consecuta est.*

Apr. 6, 1741.

I am, &c.

by the Laws of the Province, or by an Act of Parliament; then many Persons will venture out in Trade again, who have for many Years remain'd upon the score of those Evils: For till then, the honest Arts of Merchandize can never flourish; nor the Merchants trade upon any certainty. As to those Dealers in Money, they must pardon me if I call them not Merchants; I hate Prostitution! for they are more like Bitches to a Hive, which rob the Honey they never make: and I have always look'd upon them as a dishonest set of Men, who add nothing to the Commonwealth, but live like Gamblers by running the Industry of other People.

When, Sir, these things I have hinted are accomplish'd, it will happen in the Plantations as Cicero tells you it fell out at Rome in his Consulship; and for the very same Reason: *Fructus enim spe sublevis, solvendi Necessitas conficitur illi.*



1 am, Sir,

Yours, &c.